

AMENDED IN SENATE AUGUST 19, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2226

Introduced by Assembly Member Bigelow

February 18, 2016

An act to amend ~~Section 19605~~ *Sections 19605 and 19620.2* of the Business and Professions Code, *and to amend Section 3200 of the Food and Agricultural Code*, relating to horse ~~racing~~, *racing*, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2226, as amended, Bigelow. Horse racing: ~~satellite wagering facilities~~; fairs.

The

(1) *The Horse Racing Law* permits the California Horse Racing Board to authorize an association licensed to conduct a racing meeting to also operate a satellite wagering facility at its racetrack inclosure, under specified conditions that differ between the northern zone and the central and southern zones, and provides specific guidelines for the operation and location of these facilities. That law also authorizes fairs to contract for the operation and management of a satellite wagering facility with an individual racing association or a partnership, joint venture, or other affiliation of 2 or more racing associations that are licensed to conduct thoroughbred meetings within the northern zone.

This bill would authorize a fair to contract with 2 or more fairs that are licensed to conduct thoroughbred meetings within the northern zone for the operation and management of a satellite wagering facility.

(2) *The Horse Racing Law* provides that any unallocated balance from the total revenue received by the Department of Food and

Agriculture pursuant to that law, except as specified, is hereby appropriated without regard to fiscal years for allocation by the Secretary of Food and Agriculture for capital outlay to California fairs for, among other things, fair projects involving public health and safety and projects that are required to protect fair property. That law also provides that a portion of these funds may be allocated to California fairs for general support.

This bill would revise these provisions to include revenue deposited into the Fair and Exposition Fund pursuant to a specified provision and funding appropriated by the Legislature or otherwise designated for California fairs pursuant to the Horse Racing Law or any other law that is to be appropriated without regard to fiscal years for allocation by the secretary for those capital outlay purposes.

(3) Existing law provides that all funds appropriated for California fairs and expositions pursuant to specified provisions of law shall not be utilized for the purposes specified in those provisions but shall instead be utilized for the construction or operation of recreational and cultural facilities of general public interest and may be allocated by the Secretary of Food and Agriculture to all state designated fairs for those purposes.

This bill would delete these provisions and instead require that all funds appropriated or designated for California fairs and expositions pursuant to specified law or any other law be deposited in the Fair and Exposition Fund and be continuously appropriated as provided in specified provisions of the Horse Racing Law.

(4) By increasing the amounts to be deposited in the Fair and Exposition Fund, which is continuously appropriated, and by appropriating these amounts for new purposes, the bill would make an appropriation.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19605 of the Business and Professions
- 2 Code is amended to read:
- 3 19605. (a) Notwithstanding any other law, the board may
- 4 authorize an association licensed to conduct a racing meeting in
- 5 the northern zone to operate a satellite wagering facility for
- 6 wagering on races conducted in the northern zone at its racetrack
- 7 inclosure subject to all of the conditions specified in Section

1 19605.3, and may authorize an association licensed to conduct a
2 racing meeting in the central or southern zone to operate a satellite
3 wagering facility for wagering on races conducted in the central
4 or southern zone at its racetrack inclosure subject to the conditions
5 specified in subdivisions (a) to (e), inclusive, of Section 19605.3
6 and the conditions and limitations set forth in Section 19605.6.

7 (b) Notwithstanding any other law, no satellite wagering facility,
8 except a facility that is located at a track where live racing is
9 conducted, shall be located within 20 miles of any existing satellite
10 wagering facility or of any track where a racing association
11 conducts a live racing meeting. However, in the northern zone, a
12 racing association or any existing satellite wagering facility may
13 waive the prohibition contained in this subdivision and may consent
14 to the location of another satellite wagering facility within 20 miles
15 of the facility or track.

16 (c) Notwithstanding subdivision (b), the Department of Food
17 and Agriculture may approve not more than three satellite wagering
18 facilities that are licensed jointly to the 1a District Agricultural
19 Association and the 5th District Agricultural Association and that
20 are located on the fairgrounds of the 1a District Agricultural
21 Association or within the boundaries of the City and County of
22 San Francisco. Before a satellite wagering facility may be licensed
23 for the 1997 and subsequent calendar years under this subdivision,
24 the department shall conduct a one-year test at the proposed site
25 in order to determine the impact of the proposed facility on total
26 state parimutuel revenues and on attendance and wagering at
27 existing racetracks and fair satellite wagering facilities in the
28 Counties of Alameda, San Mateo, Santa Clara, and Solano.
29 Notwithstanding Section 19605.1, a satellite wagering facility may
30 be located on property leased to one or both fairs. Notwithstanding
31 any other law, the fairs may contract for the operation and
32 management of a satellite wagering facility with an individual
33 racing association or a partnership, joint venture, or other affiliation
34 of two or more racing associations or fairs that are licensed to
35 conduct thoroughbred meetings within the northern zone.

36 (d) Subdivision (b) shall not be construed to prohibit the location
37 of satellite wagering facilities within 20 miles of any existing or
38 proposed satellite facility established pursuant to subdivision (c).

39 *SEC. 2. Section 19620.2 of the Business and Professions Code*
40 *is amended to read:*

1 19620.2. (a) ~~Any~~ *Notwithstanding any other law, any*
2 *unallocated balance from Section 19620.1 Sections 19606.1 and*
3 *19620.1, revenue deposited into the Fair and Exposition Fund*
4 *pursuant to Section 19614, and funding appropriated by the*
5 *Legislature or otherwise designated for California fairs pursuant*
6 *to this chapter or any other law is hereby appropriated without*
7 *regard to fiscal years for allocation by the Secretary of Food and*
8 *Agriculture for capital outlay to California fairs for fair projects*
9 *involving public health and safety, for fair projects involving major*
10 *and deferred maintenance, for fair projects necessary due to any*
11 *emergency, for projects that are required by physical changes to*
12 *the fair site, for projects that are required to protect the fair property*
13 *or installation, such as fencing and flood protection, and for the*
14 *acquisition or improvement of any property or facility that will*
15 *serve to enhance the operation of the fair.*

16 (b) A portion of the funds subject to allocation pursuant to
17 subdivision (a) may be allocated to California fairs for general
18 operational support. It is the intent of the Legislature that these
19 moneys be used primarily for those fairs whose sources of revenue
20 may be limited for purposes specified in this section.

21 *SEC. 3. Section 3200 of the Food and Agricultural Code is*
22 *amended to read:*

23 3200. ~~Notwithstanding any other provision of law, all funds~~
24 ~~appropriated or designated for California fairs and expositions~~
25 ~~pursuant to Sections 19622, 19627, 19627.1, and subdivision (e)~~
26 ~~of Section 19627.2 of the Business and Professions Code for the~~
27 ~~1995–96 fiscal year shall not be utilized for the purposes specified~~
28 ~~in those sections but shall, instead, be utilized for the purposes~~
29 ~~specified in Section 19630 of the Business and Professions Code;~~
30 ~~and may be allocated by the Secretary of Food and Agriculture to~~
31 ~~all state designated fairs as defined by Section 19418 of the~~
32 ~~Business and Professions Code, for the purposes specified in~~
33 ~~Section 19630. this chapter or any other law shall be deposited~~
34 ~~in the Fair and Exposition Fund and be continuously appropriated~~
35 ~~as specified in Sections 19606.1 and 19620.2 of the Business and~~
36 ~~Professions Code.~~